

HISPANIC BEVERAGE PREFERENCES

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1. Introduction

Instead of merging into the United States melting pot, many Hispanics are staying loyal to their preferred ethnic tastes in beverages. In the past, Hispanics used to pay premium prices for imported beverages from their homelands. Now companies are manufacturing beverages to appeal to a huge Hispanic market. “It’s interesting to see that many beverage companies are paying more attention to the traditions and flavors of Hispanic consumers rather than trying to pull them into existing products” (Theodore, 2003). Not only are Hispanic drinks being bought by Hispanics but Latino flavors are also becoming popular among non-Hispanics. Since they spend 23% more on groceries than the average American household per year, U.S. Hispanics account for a large percentage of consumers who buy beverage products. Determining the beverages Hispanics prefer is very important for marketers in order for them to be aware of what drinks will sell and the most effective way to advertise them.

2. Favorite Hispanic Juice Flavors

While some Hispanics enjoy drinking sodas and other American brand beverages, many favor nectars and juices in fruit flavors. A 2004 Symrise study found that Hispanics’ favorite fruit juice flavors include strawberry, fruit punch, pineapple, mango, watermelon, kiwi, citrus and grape. Since Hispanics are such a diverse group, depending on where the Hispanics are from and how acculturated they are determines which kind of juices and flavors they prefer. “Mexican consumers prefer variety and sweet flavors and will pay a premium for brands from their home country, and will gravitate towards products such as aguas frescas whereas Caribbean consumers prefer sugar cane juice, according to experts. Flavors that are popular among Mexican consumers include Tamarind and Horchata, while Caribbean and Central/South American consumers prefer Coconut and Guanabana” (Popp, 2004).

3. Hispanic Non-Alcoholic Beverage Preferences

Hispanics enjoy drinking “beverages such as refrigerated juices, bottled water, beer and aseptic juices top the categories that are shopped in the grocery channel” (Popp, 2004). An interesting fact I found was that “sports drinks are purchased more often by Hispanic consumers than non-Hispanic consumers, with beer and ready-to-drink tea/coffee categories coming in second and third, according to IRI” (Popp, 2004). Drinking coffee is a very Hispanic tradition; many Latinos prefer coffee instead of tea. Having been raised in a Cuban family, it was very common in the mornings to see my mom drinking her “café con leche”. In the milk category, whole milk tends to be more popular among the Hispanic market. Many Hispanics also enjoy drinking soda. Studies have found that “immigrants are less likely to drink diet cola compared to native born Hispanics” (Tornoe, 2005) and “are more likely to prefer cola and regular soda flavors” (Tornoe, 2005). This illustrates that sometimes the acculturation levels of Hispanics can determine their tastes for beverages. It is only logical since there is so much diversity among Hispanics that this will be reflected in their vast array of preferences for beverages.

4. Hispanic Alcoholic Beverage Preferences

The heritage of Hispanics sometimes affects which alcoholic beverages they consume. For example, in the liquor category, tequila is the leading kind of distilled spirit. This is because the majority of U.S. Hispanics (about 60%) are Mexican and tequila is a traditional Mexican liquor. Lately Mexicans have been choosing beer instead of hard liquor. In 1990, Mexicans spent 65% of their alcohol purchases on beer but this percentage drastically rose to 74% in 1995. This increase is largely due to the enormous growing popularity of beer in Mexico and because 96% of the U.S. and Canada’s imported beer comes from Mexico. The popularity of beer is reducing the sales of hard liquor, except for that of “the nation’s two favorite spirits—tequila, which remains popular with Mexicans of all ages, and brandy, the drink most enjoyed by citizens aged 50 and over” (Lessley, 1997). On the whole, “Hispanics are more likely than other

groups to drink 3 to 5 beers a week” (Mogelonsky, 1996). Surveys have shown Hispanics generally prefer domestic to imported beer; 38% of Hispanics who drink beer pick light instead of regular beer. Since such a large percentage of Hispanics drink beer, beer companies such as Miller Brewing Company are starting to take notice and advertise to them. Miller has over ten commercials designated for different Hispanic segments and explains that “the commercial designed for the predominantly Cuban market in Miami features different music and clothes than the one destined for the overwhelming Mexican audience in Los Angeles” (Arandia, 1996). Miller rationalizes that this is because they “are careful to use different cultural cues that will appeal to different Hispanics” (Mogelonsky, 1996).

5. The Hispanic Wine Conspiracy

When given the choice between drinking beer or wine, U.S. Hispanics are much more likely to choose beer. “While Latinos drink alcohol at the same rate as the general population, wine is far from their first choice” (Winters, 1997). This may be linked to the lack of wine advertising targeted towards Hispanics. One of the main reasons for this is because of the stereotype among some marketers that feel there is no middle class among the Hispanic community. Even though there are fewer Hispanics with high incomes than Americans, their incomes are drastically escalating. Thus, to assume that there is no middle class among them is very untrue. There are speculations that the roots of Hispanics generally not liking wine might be linked historically. “Some say Latino food favors beer, others that hot climates and wine don’t mix, or the colonial class structure made wine a drink of the Spanish court but not of the peasants. One theory links preference to a region’s natural crops: wine for grape-growing Mediterranean cultures like the Italians, hops for Germans, cactus and tequila for Mexico” (Winters, 1997). This theory might be true because Spain cultivates wine, is located by the Mediterranean and Spaniards are an exception since they consume wine frequently, often with every meal.

At this point in time, data shows many U.S Hispanics retain their lack of wine drinking habits because they are from Mexico. “Just 11% of Latinos drink wine, compared with 24% of the population as a whole” (Winters, 1997). Marketers see potential in advertising wine to Hispanics because they are such a huge segment of the U.S. market that has not been tapped. I think promoting awareness and a taste for wine as a beverage accompanying meals is critical if marketers plan to win Hispanics over. The first steps could include doing research and promoting ad campaigns. Another tactic is to “cultivate a taste for wine among visible leaders, who set trends among Latinos more than in other communities” (Winters, 1997). Some winemakers assume that “as Latinos join the middle class in greater numbers, they will naturally merge with that group” (Winters, 1997). This narrow-minded way of thinking could prove to be a huge mistake and may result in the loss of Hispanics as wine consumers.

6. Major Hispanic Beverage Brands

Many American brands are coming out with products to appeal to the Hispanic market. “More than half of the new products launched last year in the ethnic category had a Hispanic influence” (Tornoe, 2005). Mott’s juice company introduced a Mexican line of drinks called “Las Fuentes Aguas Frescas”. Also, the juice brand, Apple and Eve, included mango and guava nectars in its products and Campbell Soup Company came out with Guava Passion Fruit and Mango Fruit flavors to add to its V8 Splash line. Johanna Food Products established “Ssips Sabor Latino” juice cartons which are available in fruit flavors meant to appeal to Hispanics. Even the Pepsi Company created “Dole Aguas Frescas” in mango and Tamarind flavors; the very American Coca Cola Company added a Minute Maid Limonada flavor to its Minute Maid line. All these American brands catering to Latinos should demonstrate that “the strong preferences of Hispanics have meant that the rest of us might end up embracing more authentic ethnic brands rather than the other way around” (Theodore, 2003).

Nestle’s Libby’s Kerns nectar products are aimed solely towards the Hispanic population because they come in a variety of traditional Hispanic fruit flavors and they

have the famous Latino boxer, Oscar de la Hoya, representing them as their spokesperson. “In 2002, Nestle’s Kerns launched an “Aguas Frescas” line in California and Arizona with Horchata, Tamarindo and Fresa flavors” (Todd, 2003). Another major brand catering to the Hispanic market is Goya Foods. Goya Foods produces over 1,200 Hispanic and Caribbean grocery items. Goya’s Director of Marketing, Esperanza Carrion, explains that “as an immigrant, you lose a lot of things from home, but the last things you lose are a love for food and music.” With this in mind, it is very wise for marketers to consider Hispanic preferences when marketing beverages.

7. Implications for Marketers

If marketers are catering to the Hispanic market, it is just as important to determine their taste preferences as to understand their cultural tendencies. “Authentic beverages make a stronger emotional connection” (Burney, 2003) and “when developing a product targeting an ethnic group an understanding of what that ethnic group expects is vital” (Burney, 2003). The companies formulating the beverage need to take into consideration qualities like the drink’s sweetness, flavors, aromas texture and even the color. The more the Hispanic drink tastes authentic, the more likely consumers are to purchase it. A major challenge for marketers selling ‘an ethnic beverage’ is convincing consumers and retailers of its authenticity despite its origin in the United States” (Todd, 2003).

In addition, the consumer’s level of acculturation will largely indicate their preference for beverages. For instance, the younger generation of assimilated Hispanics tends to interact less with their cultures and will go more for mainstream popular brands like diet American-brand sodas. In contrast, the older, less acculturated generations of Hispanics “are more likely to interact with other cultures while maintaining their cultural identity, thereby purchasing traditional beverages or imports” (Popp, 2004). How advertisers devise their campaigns and which language they should use in their ads needs to be based on the Hispanic consumer’s level of acculturation that they plan to market to. Because immigrants and less acculturated Hispanics still feel

strong ties to their countries of origin, they are likely to crave the fruit flavors that remind them of home. Before marketers even devise advertising strategies, they need to make sure the drink tastes authentic. If the beverage doesn't genuinely taste like it's from the Hispanics' home country than the chances are the consumer won't be buying that product again.

8. Conclusion

As the number of Hispanics rises, so do their incomes, making them a very important segment for marketers to target. "Statistics show from 1996 to 2001 the average household income for Hispanics increased 55%" (Popp, 2004) and their purchasing power is still growing. Beverage companies are catching on to how important it is to lure Hispanic consumers. Currently, advertising for non-alcoholic beverages is ranked eighth in a list of the top product categories advertised in the Hispanic media. It is important to note that marketers advertise beverages more in Hispanic media (4% of media share) than to the non-Hispanic/general media (only 1%).

If companies think they can try to persuade Hispanics into liking American flavors, they are highly mistaken. The most important reality that marketers need to face is that "Hispanics may become more acculturated the longer they are in the United States, but they are holding true to their preferences and the rest of us can join in if we please" (Theodore, 2003). Just because Hispanics have migrated to a different country doesn't mean that their tastes and preferences have changed. With Hispanics currently constituting the largest minority and growing rapidly, marketers should not expect the Hispanic market to conform to American tastes but rather should appeal to that of Hispanics.

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